

State of Alaska FY2003 Governor's Operating Budget

Department of Transportation/Public Facilities Vessel Operations Management Component Budget Summary

Component: Vessel Operations Management

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Component Mission

To provide safe, reliable and efficient transportation of people, goods and vehicles through the Alaska Marine Highway System by developing sound policy and procedures for operations, and manning with well trained professionals who are sensitive to the needs of our customers.

Component Services Provided

Vessel Operations Management operates 9 ships and 20 terminals with 800 vessel employees and 80 personnel ashore. Additionally, these vessels call on another 14 ports owned by private entities. The services provided are:

- To develop, implement and enforce policies and procedures of AMHS.
- To enforce labor contracts that provide benefits for AMHS employees without incurring increased costs and to schedule qualified employees for work assignments to meet required staffing levels including vacation and sick leave reliefs.
- To provide training of vessel and terminal personnel to enhance safety and service for the travelling public and meet
- the Standards for Training, Certification and Watchkeeping for Seafarers (STCW) requirements for mariners.
- To provide support for vessel and terminal personnel in the performance of their duties to enhance efficient and customer oriented operations.

Component Goals and Strategies

Provide the public safe, reliable and efficient marine transportation that supports the social, economic and cultural well being of isolated Alaskan communities.

- Maintain the largest fleet of Roll-on/Roll-off passenger vessels in the U.S. to efficiently meet a published schedule and provide effective service in future operations. Through federally funded Capital Improvement Projects (CIP), the service life of mainline and oceangoing vessels will be extended. The replacement of the most inefficient vessels with more economical ships will occur as per the Southeast Alaska Transportation Plan, the Southwest Alaska Transportation Plan and the Prince William Sound Transportation Plan.
- Standardize fleet wide operational procedures required by the International Safety Management (ISM) Code articulated in the AMHS Safety Management System (SMS) through annual audits of all AMHS ships.
- Train all vessel employees in Basic Safety Training and thirteen other courses and certify that they meet all the safety requirements of STCW.
- Meet the traffic demands of the travelling public by soliciting community input in the development of fall/winter/spring and summer schedules and adjusting services based upon traffic predictions from the Marketing and Tariff Study.
- Improve internal and external communications through the use of technology and timely use of the AMHS website for updating the published schedule on-line and publishing the AMHS Newsletter for all employees quarterly.
- Coordinate with planners the development of the Southwest Alaska Transportation Plan and the Prince William Sound Transportation Plan.
- Sound Transportation Plan.
- Maintain the financial viability of the System.
- Improve customer service with timely updates of the AMHS website for travel promotions, schedule changes and service marketing along with reducing costs by developing online reservations.
- Provide additional service to and from Bellingham during peak season to maximize revenue generation.
- Improve customer satisfaction by improving food service aboard AMHS vessels and training shipboard employees in customer relations.
- Hire more new vessel employees for each summer season so crew members will not be held over another week and overtime will be reduced by 10%.

Key Component Issues for FY2002 – 2003

With the imminent implementation of the Southeast Alaska Transportation Plan, there are many aspects of how AMHS

does business that must be looked at differently. First, the Plan must be integrated into the development of future operations, vessel maintenance and terminal construction schedules. Also, the operational parameters, staffing and crew training for the new fast vehicle ferries proposed in the Plan must be established.

Major Component Accomplishments in 2001

- Provided 291.7 total operating weeks of service in SE and SW Alaska including cross Gulf of Alaska service connecting the two systems.
- Operated the Malaspina as a "dayboat" in North Lynn Canal during the 2000 summer season adding greater vehicle and passenger capacity in the Northern Gateway.
- Shifted Malaspina to high revenue previously committed Bellingham service when the Columbia was delayed in shipyard.
- Maintained full service across the Gulf of Alaska and in Southeast with the M/V Kennicott. Operated all other vessels with minimal loss of service due to breakdowns.
- Conducted a marketing and pricing study to evaluate AMHS customer satisfaction and determine market demands.
- Many recommendations were implemented to increase system efficiencies and generate more revenue.
- Service in Southeast and Southwest Alaska was rescheduled successfully to meet travelers needs for regional sports tournaments and school activities during inclement March weather.
- Established a computer network aboard all AMHS vessels and successfully connected with each vessel via email and a wireless bridge setup at each terminal.
- Hired the first full-time Marketing Manager to generate a viable marketing program increasing revenue.
- Hired a website coordinator who brings schedule updates and promotions to the traveling public.
- Increased ridership aboard the AMHS Southwest system 3.5 % .

Statutory and Regulatory Authority

AS 19

AS 44

Vessel Operations Management

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,033.1	1,219.4	1,255.2
72000 Travel	42.8	36.9	36.9
73000 Contractual	45.9	45.0	45.0
74000 Supplies	61.1	43.1	43.1
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,182.9	1,344.4	1,380.2
Funding Sources:			
1076 Marine Highway System Fund	1,182.9	1,344.4	1,380.2
Funding Totals	1,182.9	1,344.4	1,380.2

Vessel Operations Management

Proposed Changes in Levels of Service for FY2003

- Increased emphasis on the additional security aspects of shipboard and terminal operations to ensure the utmost safety of the crew and traveling public will be diligently sought.
- New environmental protocols will be put in place to ensure monitoring and compliance with developing vessel discharge regulations.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	0.0	1,344.4	1,344.4
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	35.8	35.8
FY2003 Governor	0.0	0.0	1,380.2	1,380.2

Vessel Operations Management

Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	17	18	Annual Salaries	925,393
Part-time	0	0	COLA	27,182
Nonpermanent	0	0	Premium Pay	15,502
			Annual Benefits	339,314
			Less 3.99% Vacancy Factor	(52,191)
			Lump Sum Premium Pay	0
Totals	17	18	Total Personal Services	1,255,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk I	0	0	1	0	1
Administrative Clerk I	0	0	1	0	1
Administrative Clerk III	0	0	1	0	1
Administrative Manager I	0	0	1	0	1
Asst Port Captain	0	0	1	0	1
Dev Spec II, Option A	0	0	1	0	1
Division Director	0	0	1	0	1
Ferry Services Manager IV	0	0	1	0	1
Marine Trans Srvs Mgr	0	0	1	0	1
Passenger Services Insp	0	0	2	0	2
Personnel Asst II	0	0	1	0	1
Personnel Officer II	0	0	1	0	1
Port Captain	0	0	1	0	1
Prog Coordinator	0	0	1	0	1
Safety Officer	0	0	1	0	1
Ship Services Mgr/Port Steward	0	0	1	0	1
Vessel Scheduling Coordinator	0	0	1	0	1
Totals	0	0	18	0	18